

**ANALYSING THE DETERMINANTS OF DOMESTIC FIRMS
EXPORT BEHAVIOR
(A CASE STUDY OF FIRMS IN MALACCA INDUSTRIAL ESTATE)**

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ABSTRACT

Exporting becoming more and more important source of economic, that domestic firms cannot ignore to play their roles. Exporting can mean big profits for small business. If domestic firms not exploring exports market, they will miss out on a world of opportunity. This research has successfully addressed the question concerning the relationship between firm demographics, R&D effort and capabilities, technology intensity, export experience and motives, managerial expectation, and usage of government assistance toward international business behavior. There are several unique factors in domestic firms export behavior in Malacca Industrial Estate, which have never been examined before. The results of the study suggest that the export behavior of domestic firms in Malacca is not vastly different from other developing countries. For the most part, domestic firms that have value learning experience about international market are more likely to continue their export activities. Furthermore, the small size domestic firms more interested to export compared with large size domestic firms and firm's usages of government export assistance programs are important export success factor. The study also specifically examines government assistance programs designed to stimulate exporting activity among domestic firms and their performance. Government plays an important role to promote and encourage domestic firms involved in international market. Together, the findings, the recommendation, and the method are meaningful in the sense that there are potential implications for government or policy maker as well as implications for effective management of export marketing programs for domestic manufacturing firms in Malacca. Data from a recent survey of 78 domestic firms were used to test certain measures using Correlation and Simple Regression Analysis. The list of domestic firms drawn from Malacca SEDC and FMM list.

ABBREVIATIONS

Malacca SEDC	-	<i>Malacca State Development Corporation</i>
MATRADE	-	<i>Malaysia External Trade Development Corporation</i>
MIDA	-	<i>Malaysian Industrial Development Authority</i>
MITI	-	<i>Ministry of International Trade and Industry</i>
MIDF	-	<i>Malaysian Industrial Development Finance Berhad</i>
SMIDP	-	<i>Small and Medium Industry Development Plan</i>
SME	-	<i>Small and Medium Enterprise</i>
R&D	-	<i>Research and Development</i>
FMM	-	<i>Federation of Malaysian Manufacturer</i>
CNC	-	<i>Computer Numerically Controlled</i>
CAD-CAM	-	<i>Computer-Aided Design/Computer-Aided Manufacturing</i>
QA/QC	-	<i>Quality Assurance/Quality Control</i>

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